

Public Project Summary

SCREENING: The Projects have been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. The Projects are screened as Category A because the Project represents a large-scale greenfield wind project in an area with diverse and abundant fauna species which could have significant adverse environmental and social impacts that are diverse and irreversible. The major environmental and social concerns related to the Projects include its potential impacts on fauna including migrating birds and bats, potential for significant habitat alteration, potential impacts from leasing land held in communal tenure and cumulative impacts.

APPLICABLE STANDARDS: OPIC's environmental and social due diligence indicates that the Projects will have impacts that must be managed in a manner consistent with the following Performance Standards:

PS1: Assessment and Management of Environmental and Social Risks and Impacts;
PS2: Labor and Working Conditions;
PS3: Resource Efficiency and Pollution Prevention;
PS4: Community Health, Safety and Security;
PS5: Land Acquisition and Involuntary Resettlement; and
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety (EHS) Guidelines for Wind Energy and the IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this project.

The region of Mexico where the Projects are located does not contain a large indigenous population. According to a 2010 catalog of indigenous people by county and state, as collected by the Comision Nacional Para El Desarrollo de Los Pueblos Indigenas (CDI), Casas and Llera are characterized as municipalities with a dispersed indigenous population (22 of ~4,400 residents in Casas and 196 of ~17,000 in Llera). Within the municipality, the two localities affected by the Projects have similar ratios of identified indigenous peoples: Llera de Canales (Llera) 29 of 4,148; Casas (Casas) 8 of 680.

Data from the Instituto Nacional de Estadistica y Geografia (INEGI) show the low numbers of identified indigenous peoples in the project area. CDI maintains a list of *pueblas indigenas* according to state, and none are listed for Tamaulipas. The Borrower represents that the Projects will not impact indigenous peoples. Therefore, P.S. 7 is not triggered at this time.

There are no known cultural resources located within 12 km of the project site. Mexican law requires the establishment of the equivalent of a chance-find procedure. Therefore, P.S. 8 is not triggered at this time.

Environmental and Social Risks and Mitigation: The Project consists of Phases 1 and 2 of a five staged wind farm development. All five stages will result in 500 to 700 MW. The OPIC-supported Projects involve the construction and operation of 148.5 MW and construction of transmission line (18 km of a 34.5 kV transmission line and 12 km of a 115 kV transmission

line), internal access roads (66 km), substation, construction offices, operation and maintenance buildings, warehouses and parking lots. The site is located atop three small plateaus, known as mesas, located in the state of Tamaulipas, The closest communities to the site are the towns of Llera Canales, General Pedro José Méndez and San Francisco. The project site primarily comprises private and ejido properties which have the corresponding leases. The Projects will not involve on-site worker housing. Workers will be housed in Ciudad Victoria and shuttled to and from the project site.

The Projects conducted a Manifestacion de Impacto Ambiental (MIA) (an environmental impact assessment) for the Project per local requirements and has developed an Environmental Monitoring Program whose objective is to supervise compliance with environmental obligations of contractors and subcontractors and supervise implementation of prevention, control and mitigation measures. While the Project has developed general plans that can serve as frameworks, many of the plans are lacking specifics which will be determined in conjunction with the EPC as the Project moves forward. The Borrower will be required to develop and submit to OPIC a final Environmental and Social Management Plan which will integrate the various plans that the Borrower has developed and demonstrate how the various plans developed for the Projects will be implemented and communicated. In addition, an Occupational Health and Safety (OHS) Plan specific for the Projects has not yet been developed, but an OHSP in accordance with PS 2 will be required before disbursement.

The Projects will affect 11 private land parcels and also land parcels used by three ejidos¹: Rancho Nuevo, Angustura, and San Francisco. During the MIA approval process, informational workshops were held in the affected communities to present the project and address any questions or concerns. Additional meetings have been held since the MIA workshops with the affected populations to continue dissemination of project information and to address stakeholder concerns. The Project has developed a Community Outreach Plan (COP); OPIC will require that the Borrower update and implement the COP to establish the nature and frequency of disclosure and dissemination of information, consultation and participation, and ongoing reporting to affected communities. This COP must also include a formal grievance mechanism.

Due to its location, the State of Tamaulipas is a transition zone between temperate and tropical climate regions and as a result contains high richness of bird species. Vegetation found at Tres Mesas consists of sub-montane scrub and is well-conserved natural habitat. The project area serves as the second largest habitat in the State of Tamaulipas for maintenance of migratory birds and has high diversity of resident and terrestrial bird species. The Project has developed some general approaches for bird and bat monitoring. However, OPIC will require that the Borrower

¹ Ejidos are a system of collective tenure in Mexico that was established following long-term land tenure reform which ended in 1992. Due to challenges in inheritance and transfer of collective tenure, there are often many households operating within ejido land that are not ejitarios, or official members of the ejido that have decision-making authority over changes in ownership, structure, or distribution of funds. Many of these households are related to the ejitarios, but some are not. Under OPIC's ESPS and the IFC's PS, the Borrower is obligated to be inclusive and transparent with all affected land users within the Project area of influence.

prepare and implement a more detailed Avian Monitoring and Conservation Management Plan for OPIC's review and approval. The plan should be developed by or in conjunction a qualified expert (i.e., ornithologist, biologist, conservation NGO, etc.), be in accordance with international best practice.

OPIC Site Visit: The Project's ESIA was posted on OPIC's web site for a 60 day comment period, from March 31, 2014 to May 31, 2014. OPIC did not receive any comments.

Due to security reasons, OPIC staff was not permitted to conduct an on-site due diligence visit for the Project and therefore on-site due diligence was conducted by a third party consulting company. On-site due diligence included a visit to the site, meetings with various stakeholders, consultants (representatives from the three Ejido communities in the direct area of influence; a landowner; two government agencies (SEMARNAT and SEDUMA), environmental and social consultants that have been supporting the Project (C3 Consensus; EnviroSense; Vera and Carvajal), the Project developer, and the EPC Contractor.